(b) and (c) The technology has been transferred to M/s AIMIL., Pharmaceutical Pvt. Ltd. The company is in the process of setting up its production line. At present medicine is being made available to patients by DARL Pithoragarh.

Defence deal by M/s Denel

1781. SHRI ABU ASIM AZMI:
SHRI AMAR SINGH:

Will the Minister of DEFENCE be pleased to state:

(a) whether Government have since examined the news reports appearing the South African newspapers relating to the payment of commission by Denel to British Company Varas Associates for procuring confidential documents for a sale of Anti-Material Rifle to India;

(b) if so, the outcome thereof; and

(c) whether temporary freeze on the above deal has since been lifted and if so, the details thereof?

THE MINISTER OF DEFENCE (SHRI PRANAB MUKHERJEE): (a) to (c) Based on the information furnished by M/s Denel, South Africa, there is *prima facie* evidence of violation of clauses relating to use of undue influence and agents/agency commission, as contained in the contracts of Anti Material Rifles (AMRs) signed in 2002. A decision has been taken to initiate action to cancel all contracts entered into with M/s Denel. The contract signed on 7-3-2005 for procurement of 400 AMR has been cancelled. The matter was referred to the CBI for investigation. An FIR has also been filed by the CBI in the matter, *inter-alia*, against unknown public servants.

Lifting of ban by Switzerland on export of military material

1782. SHRIMATI N.P. DURGA: Will the Minister of DEFENCE be pleased to state:

(a) whether it is a fact that Switzerland lifted ban on the export of military material to India which was imposed in 1998 following Pokhran tests;

(b) if so, whether it is also a fact that Swiss State Secretariat of Economic Affairs also approved export applications, which have been pending for long, worth 300 million Swiss Francs to India; and

(c) if so, the details thereof?

THE MINISTER OF DEFENCE (SHRI PRANAB MUKHERJEE): (a) to (c) Following the 1998 nuclear tests by India and Pakistan, the Swiss Federal Council had decided that no new export applications for defence material for either country would be authorized. The normal procedure of prior authorization of defence exports has been re-introduced by a decision of the Swiss Federal Council on 29th June, 2005. The Swiss State Secretariat for Economic Affairs (SECO) can now process the release of a license for a pending request from India for defence related equipment costing Swiss Francs 300 million.

Militant activities in J and K

1783. SHRI RAJ NATH SINGH: Will the Minister of DEFENCE be pleased to state:

(a) whether there has been an increase in militant activities in the State of Jammu and Kashmir in the last few months;

(b) if so, what measures Government has taken;

(c) whether Government has raised the issue with the Government of Pakistan; and

(d) if so, the details thereof?

THE MINISTER OF DEFENCE (SHRI PRANAB MUKHERJEE): (a) to (d) There has been an increase in militant activities in the last few months, in the State of Jammu and Kashmir (J&K). The current strategy adopted by the Army to tackle cross border terrorism in Jammu and Kashmir incorporates an integrated counter infiltration strategy, relentless operations in the hinterland and winning the 'hearts and minds' of the local populace through small scale development and community projects like construction of bridges, roads and electrification of remote areas, Free health care, construction of schools and setting up mini hydroelectric plants. The Army in conjunction with other intelligence and security agencies, continually reviews its strategy to deal with terrorists to ensure